

ORIGINAL



0000128356

BEFORE THE ARIZONA CORPORATION

COMMISSIONERS

GARY PIERCE - Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

RECEIVED

2011 AUG 16 P 4:32

AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
ARIZONA-AMERICAN WATER COMPANY,
AN ARIZONA CORPORATION, FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASES IN ITS
RATES AND CHARGES BASED THEREON
FOR UTILITY SERVICE BY ITS ANTHEM
WATER DISTRICT AND ITS SUN CITY
WATER DISTRICT.

DOCKET NO. W-01303A-09-0343

IN THE MATTER OF THE APPLICATION OF
ARIZONA-AMERICAN WATER COMPANY,
AN ARIZONA CORPORATION, FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASES IN ITS
RATES AND CHARGES BASED THEREON
FOR UTILITY SERVICE BY ITS
ANTHEM/AGUA FRIA WASTEWATER
DISTRICT, ITS SUN CITY WASTEWATER
DISTRICT AND ITS SUN CITY WEST
WASTEWATER DISTRICT.

DOCKET NO. SW-01303A-09-0343

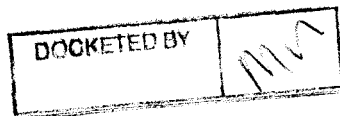
**STAFF'S NOTICE OF FILING DIRECT
TESTIMONY**


Staff of the Arizona Corporation Commission ("Staff") hereby files the Direct Testimony of
Gerald W. Becker of the Utilities' Division.

RESPECTFULLY SUBMITTED this 16th day of August 2011.

Arizona Corporation Commission
DOCKETED

AUG 16 2011




Maureen A. Scott, Senior Staff Counsel
Robin R. Mitchell, Attorney
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
(602) 542-3402

1 Original and thirteen (13) copies
2 of the foregoing filed this
3 16th day of August 2011 with:
4 Docket Control
5 Arizona Corporation Commission
6 1200 West Washington Street
7 Phoenix, Arizona 85007
8 Copies of the foregoing mailed this
9 16th day of August 2011 to:
10 Craig A. Marks
11 Craig A. Marks, PLC
12 10645 North Tatum Blvd, Suite 200-676
13 Phoenix, Arizona 85028
14 Attorneys for Arizona-American Water Co.
15 Judith M. Dworkin
16 Roxanne S. Gallagher
17 Sacks Tierney PA
18 4250 North Drinkwater Blvd, 4th Floor
19 Scottsdale, Arizona 85251-3693
20 Attorney for Anthem Community Council
21 Daniel Pozefsky, Chief Counsel
22 Residential Utility Consumer Office
23 1110 West Washington Street, Suite 220
24 Phoenix, Arizona 85007
25 Lawrence V. Robertson, Jr.
26 Post Office Box 1448
27 Tubac, Arizona 85646-1448
28 Attorney for Anthem Community Council
Larry Woods, President
Property Owners and Residents Association
13815 East Camino Del Sol
Sun City West, Arizona 85375
W.R. Hansen
12302 West Swallow Drive
Sun City West, Arizona 85375
Greg Patterson
916 West Adams Street, Suite 3
Phoenix, Arizona 85007
Attorney for WUAA
Bradley J. Herrema
Robert J. Saperstein
Brownstein Hyatt Farber Schreck, LLP
21 East Carrillo Street
Santa Barbara, California 93101
Attorneys for Anthem Golf and Country Club

Jeffrey W. Crockett
Brownstein Hyatt Farber Schreck
40 North Central Avenue, 14th Floor
Phoenix, Arizona 85004
Attorneys for the Resorts

Andrew M. Miller, Esq.
Town of Paradise Valley
6401 East Lincoln Drive
Paradise Valley, Arizona 85253

Norman D. James
Fennemore Craig, PC
3003 North Central Avenue, Suite 2600
Phoenix, Arizona 85012
Attorneys for DMB White Tank LLC

Larry D. Woods
15141 West Horseman Lane
Sun City West, Arizona 85375

Joan S. Burke, Esq.
Law Office of Joan S. Burke
1650 North First Avenue
Phoenix, Arizona 85003
Attorney for Corte Bella Golf Club

Philip H. Cook
10122 West Signal Butte Circle
Sun City, Arizona 85373

Scottsdale Citizens for Sustainable Water
7322 East Cactus Wren Road
Scottsdale, Arizona 85250-4526

Lynn M. Krupnik
Ekmark & Ekmark, LLC
6720 North Scottsdale Road, Suite 261
Scottsdale, Arizona 85253

1 Michele L. Van Quathem
Ryley Carlock & Applewhite
2 One North Central Avenue, Suite 1200
Phoenix, Arizona 85004-4417
3 Attorneys for Verrado Community
Association, Inc.
4
5 Pauline A. Harris Henry
President, Board of Directors
Russell Ranch Homeowners' Association, Inc.
6 21448 North 75th Avenue, Suite 6
Glendale, Arizona 85308
7
8 Frederick G. Botha
Mary L. Botha
23024 North Giovota Drive
9 Sun City West, Arizona 85375
10
11 Tammy Ryan
Andy Terrey
City of Phoenix
Water Services Department
12 200 West Washington, 9th Floor
Phoenix, Arizona 85003-1611
13
14 Gary Verburg, City Attorney
Daniel L. Brown, Assistant City Attorney
Office of the City Attorney
15 200 West Washington, Suite 1300
Phoenix, Arizona 85003-1611
16
17 Troy Stratman, Esq.
Mack Drucker & Watson, PLC
3200 North Central Avenue, Suite 1200
18 Phoenix, Arizona 85012
Attorneys for Corte Bella Country Club
19 Association, Inc.
20
21 Jason D. Gellman
Roshka, DeWulf & Patten, OLC
400 East Van Buren Street, Suite 800
Phoenix, Arizona 85004
22 Co-Counsel for Corte Bella Country Club
Association, Inc.
23
24
25
26
27
28

Kayla Christine

BEFORE THE ARIZONA CORPORATION COMMISSION

GARY PIERCE

Chairman

BOB STUMP

Commissioner

SANDRA D. KENNEDY

Commissioner

PAUL NEWMAN

Commissioner

BRENDA BURNS

Commissioner

IN THE MATTER OF THE COMPLIANCE)
APPLICATION OF ARIZONA-AMERICAN)
WATER COMPANY TO SUPPORT)
CONSIDERATION OF STAND-ALONE)
REVENUE REQUIREMENTS AND RATE)
DESIGNS FOR THE ANTHEM/AGUA FRIA)
WASTEWATER DISTRICT)
_____)

DOCKET NO. SW-01303A-09-0343

DIRECT

TESTIMONY

OF

GERALD W. BECKER

PUBLIC UTILITIES ANALYST V

UTILITIES DIVISION

ARIZONA CORPORATION COMMISSION

AUGUST 16, 2011

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
GENERAL INFORMATION.....	2
STAFF ANALYSIS.....	3
OTHER WHOLESALE UTILITIES	4
RATE DESIGN	6
RECOMMENDATIONS.....	7

SCHEDULES

Staff's Rates as Compared to Test Year Rates

Anthem Wastewater Rate Design	GWB-1
Anthem Wastewater Typical Bill Analysis.....	GWB-2
Agua Fria Wastewater Rate Design.....	GWB-3
Agua Fria Wastewater Typical Bill Analysis	GWB-4

Staff's Rates as Compared to Currently-Authorized Rates

Anthem Wastewater Rate Design	GWB-5
Anthem Wastewater Typical Bill Analysis.....	GWB-6
Agua Fria Wastewater Rate Design.....	GWB-7
Agua Fria Wastewater Typical Bill Analysis	GWB-8

EXECUTIVE SUMMARY
ARIZONA-AMERICAN WATER COMPANY, INC.
DOCKET NO. SW-01303A-09-0343

Arizona-American Water Company, Inc. ("AAW" or "Company") is an Arizona public service corporation and a Class "A" water and wastewater utility. AAW provides water and wastewater utility services in 17 communities located in Maricopa, Mohave, and Santa Cruz Counties in the State of Arizona. These communities include the Anthem/Agua Fria Wastewater district.

AAW filed a compliance application with the Arizona Corporation Commission ("Commission") on April 1, 2011, to comply with the requirements of Decision No. 72047. Decision No. 72047 requires AAW to file no later than April 1, 2011, an application to set forth the revenue requirements and rate designs for an Anthem Wastewater District ("Anthem") and an Agua Fria Wastewater District ("Agua Fria"), each on a stand-alone basis. The Company's application states that Decision No. 72047 authorized an overall rate increase of 53.98 percent on a combined basis over the previous rates and the stand-alone rate increases for Anthem and Agua Fria would have been 15.5 percent and 139.7 percent, respectively.

Staff has reviewed the filing and agrees with the total amount of the Company's restated increase for each district on an overall basis. However, Staff disagrees with the Company's rate design calculation of the rates for Anthem. Staff disagrees with Anthem's rate design due to differences in the treatment of activity related to the City of Phoenix.

Staff further recommends that the deconsolidation issue also be evaluated with information relative to the non-deconsolidated rates approved in Decision No. 72047, in addition to being evaluated against the test year rates, as the Company proposes in its application. On this second basis, a typical Anthem 5/8 x 3/4-inch meter residential customer with a median usage of 7,000 gallons would experience a \$14.29, or a 19.11 percent decrease from \$74.80 to \$60.51, under the Company's proposed methodology and an \$18.55, or a 24.80 percent decrease from \$74.80 to \$56.25, under Staff's recommended rates. Also on this second basis, the typical Agua Fria 5/8 x 3/4-inch meter residential customer with a median usage of 7,000 gallons would experience a \$47.11, or a 62.98 percent increase from \$74.80 to \$121.91, under both the Company's proposed methodology and under Staff's recommended rates.

Staff recommends that any approval granted in this proceeding be subject to certain conditions as follows:

1. That the billing activity remain unchanged for the activity with the City of Phoenix.
2. That any adjustments to rates be shared proportionately by all customers, except for the newly-created group of effluent customers.
3. That the rate for the effluent group remain unchanged.

1 **INTRODUCTION**

2 **Q. Please state your name, occupation, and business address.**

3 A. My name is Gerald Becker. I am a Public Utilities Analyst V employed by the Arizona
4 Corporation Commission ("Commission") in the Utilities Division ("Staff"). My business
5 address is 1200 West Washington Street, Phoenix, Arizona 85007.

6
7 **Q. Briefly describe your responsibilities as a Public Utilities Analyst V.**

8 A. I am responsible for the examination and verification of financial and statistical
9 information included in utility rate applications. In addition, I develop revenue
10 requirements, and prepare written reports, testimonies, and schedules that include Staff
11 recommendations to the Commission. I am also responsible for testifying at formal
12 hearings on these matters.

13
14 **Q. Please describe your educational background and professional experience.**

15 A. I received a Masters of Business Administration with an emphasis in Accounting from
16 Pace University. I am a Certified Public Accountant and a Certified Internal Auditor.

17
18 I have participated in multiple rate, financing and other regulatory proceedings. I attended
19 the National Association of Regulatory Utility Commissioners Utilities Rate School.

20
21 I began employment with the Commission as a utilities regulatory analyst in April 2006.
22 Prior to joining the Commission, I worked as an Auditor at the Department of Economic
23 Security and Department of Revenue in the Taxpayer Assistance Section. Prior to those
24 jobs, I worked for 15 years as an Auditor, Analyst, Financial Analyst, and Budget
25 Manager at United Illuminating, an investor-owned electric company in New Haven, CT.
26

1 **Q. What is the scope of your testimony in this case?**

2 A. The purpose of my testimony in this proceeding is to present Staff's position and
3 recommendations regarding the application of Arizona-American Water Company, Inc.
4 ("AAW" or "Company"). My testimony addresses the technical accuracy of the
5 application along with other concerns.

6
7 **Q. What is the basis of your recommendations?**

8 A. I performed a financial analysis of the application and the Company's responses to various
9 inquiries and data requests. Staff's recommendations are made to ensure that the
10 Company's rate payers are relatively unharmed by the potential deconsolidation.

11
12 **GENERAL INFORMATION**

13 **Q. Please briefly describe AAW.**

14 A. AAW is an Arizona public service corporation and a Class "A" water and wastewater
15 utility. AAW provides water and wastewater utility services in 17 communities located in
16 Maricopa, Mohave, and Santa Cruz Counties in the State of Arizona. At the present time,
17 AAW provides water services to approximately 106,600 customers and wastewater
18 services to approximately 51,700 customers, of which the vast majority are residential
19 customers.

20
21 **Q. Please describe the compliance application that is the subject of this filing.**

22 A. The purpose of the application is to meet a compliance requirement in Decision No. 72047
23 which required AAW to file documentation supporting consideration of stand-alone rates
24 for its Anthem Wastewater District "(Anthem)" and Agua Fria Wastewater District
25 ("Agua Fria"). In its application, AAW segregates the components of its revenue
26 requirement of the existing combined districts. From the resulting revenue requirement

1 for each system, AAW then proposes a rate design that supports each respective revenue
2 requirement. AAW also states that it has not changed the rate it charges for effluent, since
3 this rate was newly established by Decision No. 72047. AAW also proposes to treat its
4 activity with the City of Phoenix differently from the treatment in the earlier phases of this
5 proceeding.

6
7 **STAFF ANALYSIS**

8 **Q. Has Staff reviewed the application?**

9 A. Yes.

10
11 **Q. Does Staff have any comments regarding the application?**

12 A. Yes. Staff has reviewed the application and notes that, appropriately, AAW has not
13 changed the aggregate rate base or revenue requirement that were approved in Decision
14 No. 72047. Staff's comments relate to AAW's proposed treatment of its effluent customer
15 group and its Other Wholesale Utilities ("OWU")¹ which relates to services provided for
16 the City of Phoenix by its Anthem District. Staff disagrees with AAW's proposal to keep
17 the effluent rate unchanged as well as the Company's proposed volumetric adjustment for
18 the activity with the City of Phoenix.

19
20 Staff further recommends that the application also be evaluated considering the rates
21 approved in Decision No. 72047 in this docket. Staff notes that the Company's filing
22 compared the deconsolidated rates with the test year rates that existed prior to the issuance
23 of Decision No. 72047. Staff finds this basis of comparison to be valid, but also offers a

¹ "OWU" is a rate class which is also described as "Other Water Users", as used by the Company in this application. However, discussion with Company personnel indicates that although the terms "Other Water Users" and "Other Wholesale Utilities" are somewhat interchangeable, the more correct and commonly used description is "Other Wholesale Utilities".

1 comparison of the deconsolidated rates with those approved in Decision No. 72047 during
2 the initial phase of this proceeding.

3
4 **OTHER WHOLESALE UTILITIES**

5 **Q. Please describe the treatment of the OWU activity in earlier phases of this**
6 **proceeding and any changes proposed by the Company.**

7 A. AAW is party to a contract known as the Phoenix Interconnect Agreement, which governs
8 the provision of water and wastewater services to an area of Phoenix west of Interstate 17.
9 Presently, billing for both water and wastewater services are based on the amounts of
10 water delivered. According to the application, the City of Phoenix recently informed the
11 Company that it prefers that its wastewater billings be based on the actual wastewater
12 flows at the wastewater 'flume' rather than on the basis of water deliveries. AAW
13 estimates that wastewater flows are approximately 30 percent of existing water deliveries,
14 which in the test year, were 231,722 thousand gallons ("k gals"). For this phase of the
15 proceeding, AAW has adjusted its billing data to reduce the test year activity by 70
16 percent from 231,722 k gals to 69,517 k gals. Also, in an apparent attempt to mitigate the
17 revenue loss, AAW does not reduce the OWU billing rate of \$5.576 per k gals that was
18 approved in Decision No. 72047 in proportion to the rate adjustments proposed for the
19 other customers in this district (except for the effluent customers as discussed above).

20
21 **Q. Does Staff agree with the proposed treatment of OWU customers?**

22 A. No. Staff disagrees with both the volumetric adjustments being made to the Company's
23 billing data as well as the Company's proposal to keep the OWU rate unchanged.
24 Decision No. 72047 ordered that this docket remain open for the limited purpose of
25 exploring stand-alone rates for the two areas of the existing district. Making changes to
26 billing data during this phase is not appropriate. Further, the rates approved in Decision

1 No. 72047 indicate that the volumetric rates for the OWU customers are \$3.17 per k gals
2 for all gallons and the rate for most other customers is \$3.48 per k gals that the OWU rate
3 is approximately 91.1 percent of the volumetric rate applied to certain gallons used by
4 customers in other rates. In this application, however, the Company fails to reduce the
5 rate for its OWU rate consistent with the proposed adjustments to the volumetric rates for
6 most other customers.

7
8 **Q. Has Staff reviewed the Phoenix Interconnect Agreement?**

9 A. Staff has performed a partial review of the agreement to determine the intended basis of
10 wastewater billings. Staff's review indicates that the original intention of the agreement
11 was that wastewater billings would be based on water deliveries rather than wastewater
12 flows. However, Staff provides this for informational purposes only, since the
13 Commission does not approve third party contracts.

14
15 **Q. What is Staff's recommendation?**

16 A. Staff recommends that the City of Phoenix billing activity remain unchanged and continue
17 to reflect the test year results. Further, any adjustment to billing rates afforded to other
18 customers should be shared proportionately with all customers except for the newly-
19 created effluent group. The rate for the effluent group should remain unchanged.

20

RATE DESIGN

Q. Did Staff develop a rate design to incorporate the above?

A. Yes. Staff has designed rates to reflect test year activity and does not adjust the rates for the effluent group. The attached Schedules GWB-1 through GWB-4 reflect Staff's recommended deconsolidated rates as compared with the test year rates, consistent with the Company's basis of comparison. Schedules GWB-5 through GWB-8 reflect Staff's recommended deconsolidated rates as compared with the currently-authorized non-deconsolidated rates as approved in Decision No. 72047.

Q. Please provide an overview of Staff's recommended rate design for Anthem.

A. Staff has altered the Company's proposed rates to incorporate the unchanged billing process for the City of Phoenix. Staff's recommended rates are presented in Schedules GWB-1 and GWB-5.

Q. What is the rate impact on a typical 5/8 x 3/4-inch meter residential customer in Anthem?

A. As compared with test year rates, the typical 5/8 x 3/4-inch meter residential customer with a median usage of 7,000 gallons would experience an \$8.39, or a 16.10 percent increase from \$52.12 to \$60.51, under the Company's proposed rates and a \$4.13, or a 7.92 percent increase from \$52.12 to \$56.25, under Staff's recommended rates. A typical bill analysis for this scenario is provided in Schedule GWB-2.

As compared with the non-deconsolidated rates approved in Decision No. 72047, the typical 5/8 x 3/4-inch meter residential customer with a median usage of 7,000 gallons would experience a \$14.29, or a 19.11 percent decrease from \$74.80 to \$60.51, under the Company's proposed rates and an \$18.55, or a 24.80 percent decrease from \$74.80 to

1 \$56.25, under Staff's recommended rates. A typical bill analysis for this scenario is
2 provided in Schedule GWB-6.

3
4 **Q. Please provide an overview of Staff's recommended rate design for Agua Fria.**

5 A. Staff agrees with the Company's rates design, therefore, there are no changes to the
6 information underlying Company's proposed rates. Staff's recommended rates are
7 presented in Schedules GWB-3 and GWB-7.

8
9 **Q. What is the rate impact on a typical 5/8 x 3/4-inch meter residential customer in**
10 **Agua Fria?**

11 A. As compared with test year rates, the typical 5/8 x 3/4-inch meter residential customer
12 with a median usage of 7,000 gallons would experience a \$69.79, or a 133.90 percent
13 increase from \$52.12 to \$121.91, under both the Company's proposed rates and Staff's
14 recommended rates. A typical bill analysis for this scenario is provided in Schedule
15 GWB-4.

16
17 As compared with the non-deconsolidated rates approved in Decision No. 72047, the
18 typical 5/8 x 3/4-inch meter residential customer with a median usage of 7,000 gallons
19 would experience a \$47.11, or a 62.98 percent increase from \$74.80 to \$121.91, under
20 both the Company's proposed rates and under Staff's recommended rates. A typical bill
21 analysis for this scenario is provided in Schedule GWB-8.

22
23 **RECOMMENDATIONS**

24 **Q. What are Staff's recommendations?**

25 A. Staff recommends that any approval granted in this proceeding be subject to certain
26 conditions as follows:

- 1 1. That the billing activity remain unchanged for the activity with the City of
2 Phoenix.
- 3
- 4 2. That any adjustments to rates be shared proportionately by all customers, except
5 for the newly-created group of effluent customers.
- 6
- 7 3. That the rate for the effluent group remain unchanged.
- 8

9 **Q. Does this conclude your Direct Testimony?**

10 A. Yes, it does.

Monthly Usage Charge	Rate Schedule	Test Year	Company Proposed Rates	Staff Recommended Rates
Anthem Residential	E1MS1	\$ 27.76	\$ 30.48	\$ 30.00
Anthem Commerical 5/8"	E2MS1	27.76	30.48	30.00
Anthem Commerical 3/4"	E2MS2	41.64	45.72	45.00
Anthem Commercial 1"	E2MS3	55.58	61.02	60.06
Anthem Commercial LG	E2MS4	111.12	122.00	120.09
Anthem Wholesale Phoenix	E5M2	-	-	-
Commodity Charge				
Anthem Wastewater Residential	E1MS1			
First 7,000 gallons		\$ 3.4800	\$ 4.2900	\$ 3.7500
Over 7,000 gallons		-	-	-
Anthem Wastewater Commerical 5/8"	E2MS1			
First 10,000 gallons		3.4800	4.2900	3.7500
Over 10,000 gallons		-	-	-
Anthem Wastewater Commerical 3/4"	E2MS2			
First 15,000 gallons		3.4800	4.2900	3.7500
Over 15,000 gallons		-	-	-
Anthem Wastewater Commercial 1"	E2MS3			
First 20,000 gallons		3.4800	4.2900	3.7500
Over 20,000 gallons		-	-	-
Anthem Wastewater Commercial LG	E2MS4			
All Usage		3.4800	4.2900	3.7500
Anthem Wholesale Phoenix	E5M2			
All Usage		3.4800	5.5760	3.4200
All gallons (Per Acre-foot)		250.00	250.00	250.00
All gallons (Per 1,000 gallons)		0.7700	0.7700	0.7700

Typical Bill Analysis
General Service 5/8 x 3/4-Inch Meter

Company Proposed	Gallons	Test Year Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	5,814	\$ 47.99	\$ 55.42	\$ 7.43	15.48%
Median Usage	7,000	52.12	60.51	\$ 8.39	16.10%
Staff Recommended					
Average Usage	5,814	\$ 47.99	\$ 51.80	\$ 3.81	7.94%
Median Usage	7,000	52.12	56.25	\$ 4.13	7.92%

Present & Proposed Rates (Without Taxes)
General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Test Year Rates	Company Proposed Rates	% Increase	Staff Recommended Rates	% Increase
-	\$ 27.76	\$ 30.48	9.80%	\$ 30.00	8.07%
1,000	31.24	34.77	11.30%	33.75	8.03%
2,000	34.72	39.06	12.50%	37.50	8.01%
3,000	38.20	43.35	13.48%	41.25	7.98%
4,000	41.68	47.64	14.30%	45.00	7.97%
5,000	45.16	51.93	14.99%	48.75	7.95%
6,000	48.64	56.22	15.58%	52.50	7.94%
7,000	52.12	60.51	16.10%	56.25	7.92%
8,000	52.12	60.51	16.10%	56.25	7.92%
9,000	52.12	60.51	16.10%	56.25	7.92%
10,000	52.12	60.51	16.10%	56.25	7.92%
11,000	52.12	60.51	16.10%	56.25	7.92%
12,000	52.12	60.51	16.10%	56.25	7.92%
13,000	52.12	60.51	16.10%	56.25	7.92%
14,000	52.12	60.51	16.10%	56.25	7.92%
15,000	52.12	60.51	16.10%	56.25	7.92%
16,000	52.12	60.51	16.10%	56.25	7.92%
17,000	52.12	60.51	16.10%	56.25	7.92%
18,000	52.12	60.51	16.10%	56.25	7.92%
19,000	52.12	60.51	16.10%	56.25	7.92%
20,000	52.12	60.51	16.10%	56.25	7.92%
25,000	52.12	60.51	16.10%	56.25	7.92%
30,000	52.12	60.51	16.10%	56.25	7.92%
35,000	52.12	60.51	16.10%	56.25	7.92%
40,000	52.12	60.51	16.10%	56.25	7.92%
45,000	52.12	60.51	16.10%	56.25	7.92%
50,000	52.12	60.51	16.10%	56.25	7.92%
75,000	52.12	60.51	16.10%	56.25	7.92%
100,000	52.12	60.51	16.10%	56.25	7.92%

Monthly Usage Charge	Rate Schedule	Test Year	Company Proposed Rates	Staff Recommended Rates
Anthem Residential	E1MS1	\$ 27.76	\$ 66.12	\$ 66.12
Anthem Commerical 5/8"	E2MS1	27.76	66.12	\$ 66.12
Anthem Commerical 3/4"	E2MS2	41.64	99.18	\$ 99.18
Anthem Commercial 1"	E2MS3	55.58	132.39	\$ 132.39
Anthem Commercial LG	E2MS4	111.12	264.68	\$ 264.68
DMB @ Verrado Golf	C8M2A	-	-	-
Commodity Charge				
Anthem Wastewater Residential	E1MS1			
First 7,000 gallons		\$ 3.4800	\$ 7.9700	\$ 7.9700
Over 7,000 gallons		-	-	-
Anthem Wastewater Commerical 5/8"	E2MS1			
First 10,000 gallons		3.4800	7.9700	7.9700
Over 10,000 gallons		-	-	-
Anthem Wastewater Commerical 3/4"	E2MS2			
First 15,000 gallons		3.4800	7.9700	7.9700
Over 15,000 gallons		-	-	-
Anthem Wastewater Commercial 1"	E2MS3			
First 20,000 gallons		3.4800	7.9700	7.9700
Over 20,000 gallons		-	-	-
Anthem Wastewater Commercial LG	E2MS4			
All Usage		3.4800	7.9700	7.9700
DMB @ Verrado Golf	C8M2A			
All Usage		0.7700	0.7700	0.7700

Typical Bill Analysis
General Service 5/8 x 3/4-Inch Meter

Company Proposed	Gallons	Test Year Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	5,297	\$ 46.19	\$ 108.34	\$ 62.14	134.53%
Median Usage	7,000	52.12	121.91	\$ 69.79	133.90%

Staff Recommended

Average Usage	5,297	\$ 46.19	\$ 108.34	\$ 62.14	134.53%
Median Usage	7,000	52.12	121.91	\$ 69.79	133.90%

Present & Proposed Rates (Without Taxes)
General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Test Year Rates	Company Proposed Rates	% Increase	Staff Recommended Rates	% Increase
-	\$ 27.76	\$ 66.12	138.18%	\$ 66.12	138.18%
1,000	31.24	74.09	137.16%	74.09	137.16%
2,000	34.72	82.06	136.35%	82.06	136.35%
3,000	38.20	90.03	135.68%	90.03	135.68%
4,000	41.68	98.00	135.12%	98.00	135.12%
5,000	45.16	105.97	134.65%	105.97	134.65%
6,000	48.64	113.94	134.25%	113.94	134.25%
7,000	52.12	121.91	133.90%	121.91	133.90%
8,000	52.12	121.91	133.90%	121.91	133.90%
9,000	52.12	121.91	133.90%	121.91	133.90%
10,000	52.12	121.91	133.90%	121.91	133.90%
11,000	52.12	121.91	133.90%	121.91	133.90%
12,000	52.12	121.91	133.90%	121.91	133.90%
13,000	52.12	121.91	133.90%	121.91	133.90%
14,000	52.12	121.91	133.90%	121.91	133.90%
15,000	52.12	121.91	133.90%	121.91	133.90%
16,000	52.12	121.91	133.90%	121.91	133.90%
17,000	52.12	121.91	133.90%	121.91	133.90%
18,000	52.12	121.91	133.90%	121.91	133.90%
19,000	52.12	121.91	133.90%	121.91	133.90%
20,000	52.12	121.91	133.90%	121.91	133.90%
25,000	52.12	121.91	133.90%	121.91	133.90%
30,000	52.12	121.91	133.90%	121.91	133.90%
35,000	52.12	121.91	133.90%	121.91	133.90%
40,000	52.12	121.91	133.90%	121.91	133.90%
45,000	52.12	121.91	133.90%	121.91	133.90%
50,000	52.12	121.91	133.90%	121.91	133.90%
75,000	52.12	121.91	133.90%	121.91	133.90%
100,000	52.12	121.91	133.90%	121.91	133.90%

Monthly Usage Charge	Rate Schedule	Currently Authorized Rates	Company Proposed Rates	Staff Recommended Rates
Anthem Residential	E1MS1	\$ 39.84	\$ 30.48	\$ 30.00
Anthem Commercial 5/8"	E2MS1	39.84	30.48	30.00
Anthem Commercial 3/4"	E2MS2	66.72	45.72	45.00
Anthem Commercial 1"	E2MS3	89.06	61.02	60.06
Anthem Commercial LG	E2MS4	178.05	122.00	120.09
Anthem Wholesale Phoenix	E5M2	-	-	-
Commodity Charge				
Anthem Wastewater Residential	E1MS1			
First 7,000 gallons		\$ 4.9946	\$ 4.2900	\$ 3.7500
Over 7,000 gallons		-	-	-
Anthem Wastewater Commercial 5/8"	E2MS1			
First 10,000 gallons		3.4800	4.2900	3.7500
Over 10,000 gallons		-	-	-
Anthem Wastewater Commercial 3/4"	E2MS2			
First 15,000 gallons		3.4800	4.2900	3.7500
Over 15,000 gallons		-	-	-
Anthem Wastewater Commercial 1"	E2MS3			
First 20,000 gallons		3.4800	4.2900	3.7500
Over 20,000 gallons		-	-	-
Anthem Wastewater Commercial LG	E2MS4			
All Usage		3.4800	4.2900	3.7500
Anthem Wholesale Phoenix	E5M2			
All Usage		3.4800	5.5760	3.4200
All gallons (Per Acre-foot)		250.00	250.00	250.00
All gallons (Per 1,000 gallons)		0.7700	0.7700	0.7700

Typical Bill Analysis
General Service 5/8 x 3/4-Inch Meter

Company Proposed	Gallons	Currently Authorized Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	5,814	\$ 68.88	\$ 55.42	\$ (13.46)	-19.54%
Median Usage	7,000	74.80	60.51	\$ (14.29)	-19.11%
Staff Recommended					
Average Usage	5,814	\$ 68.88	\$ 51.80	\$ (17.08)	-24.79%
Median Usage	7,000	74.80	56.25	\$ (18.55)	-24.80%

Present & Proposed Rates (Without Taxes)
General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Currently Authorized Rates	Company Proposed Rates	% Increase	Staff Recommended Rates	% Increase
-	\$ 39.84	\$ 30.48	-23.49%	\$ 30.00	-24.70%
1,000	44.83	34.77	-22.45%	33.75	-24.72%
2,000	49.83	39.06	-21.61%	37.50	-24.74%
3,000	54.82	43.35	-20.93%	41.25	-24.76%
4,000	59.82	47.64	-20.36%	45.00	-24.77%
5,000	64.81	51.93	-19.88%	48.75	-24.78%
6,000	69.81	56.22	-19.46%	52.50	-24.79%
7,000	74.80	60.51	-19.11%	56.25	-24.80%
8,000	74.80	60.51	-19.11%	56.25	-24.80%
9,000	74.80	60.51	-19.11%	56.25	-24.80%
10,000	74.80	60.51	-19.11%	56.25	-24.80%
11,000	74.80	60.51	-19.11%	56.25	-24.80%
12,000	74.80	60.51	-19.11%	56.25	-24.80%
13,000	74.80	60.51	-19.11%	56.25	-24.80%
14,000	74.80	60.51	-19.11%	56.25	-24.80%
15,000	74.80	60.51	-19.11%	56.25	-24.80%
16,000	74.80	60.51	-19.11%	56.25	-24.80%
17,000	74.80	60.51	-19.11%	56.25	-24.80%
18,000	74.80	60.51	-19.11%	56.25	-24.80%
19,000	74.80	60.51	-19.11%	56.25	-24.80%
20,000	74.80	60.51	-19.11%	56.25	-24.80%
25,000	74.80	60.51	-19.11%	56.25	-24.80%
30,000	74.80	60.51	-19.11%	56.25	-24.80%
35,000	74.80	60.51	-19.11%	56.25	-24.80%
40,000	74.80	60.51	-19.11%	56.25	-24.80%
45,000	74.80	60.51	-19.11%	56.25	-24.80%
50,000	74.80	60.51	-19.11%	56.25	-24.80%
75,000	74.80	60.51	-19.11%	56.25	-24.80%
100,000	74.80	60.51	-19.11%	56.25	-24.80%

Monthly Usage Charge	Rate Schedule	Currently Authorized Rates	Company Proposed Rates	Staff Recommended Rates
Anthem Residential	E1MS1	\$ 39.84	\$ 66.12	\$ 66.12
Anthem Commerical 5/8"	E2MS1	39.84	66.12	\$ 66.12
Anthem Commerical 3/4"	E2MS2	66.72	99.18	\$ 99.18
Anthem Commercial 1"	E2MS3	89.06	132.39	\$ 132.39
Anthem Commercial LG	E2MS4	178.05	264.68	\$ 264.68
DMB @ Verrado Golf	C8M2A	-	-	-
Commodity Charge				
Anthem Wastewater Residential	E1MS1			
First 7,000 gallons		\$ 4.9946	\$ 7.9700	\$ 7.9700
Over 7,000 gallons		-	-	-
Anthem Wastewater Commerical 5/8"	E2MS1			
First 10,000 gallons		5.5760	7.9700	7.9700
Over 10,000 gallons		-	-	-
Anthem Wastewater Commerical 3/4"	E2MS2			
First 15,000 gallons		5.5760	7.9700	7.9700
Over 15,000 gallons		-	-	-
Anthem Wastewater Commercial 1"	E2MS3			
First 20,000 gallons		5.5760	7.9700	7.9700
Over 20,000 gallons		-	-	-
Anthem Wastewater Commercial LG	E2MS4			
All Usage		5.5760	7.9700	7.9700
DMB @ Verrado Golf	C8M2A			
All Usage		0.7700	0.7700	0.7700

Typical Bill Analysis
General Service 5/8 x 3/4-Inch Meter

Company Proposed	Gallons	Currently Authorized Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	5,297	\$ 66.30	\$ 108.34	\$ 42.04	63.41%
Median Usage	7,000	74.80	121.91	\$ 47.11	62.98%
Staff Recommended					
Average Usage	5,297	\$ 66.30	\$ 108.34	\$ 42.04	63.41%
Median Usage	7,000	74.80	121.91	\$ 47.11	62.98%

Present & Proposed Rates (Without Taxes)
General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Currently Authorized Rates	Company Proposed Rates	% Increase	Staff Recommended Rates	% Increase
-	\$ 39.84	\$ 66.12	65.96%	\$ 66.12	65.96%
1,000	44.83	74.09	65.25%	74.09	65.25%
2,000	49.83	82.06	64.68%	82.06	64.68%
3,000	54.82	90.03	64.22%	90.03	64.22%
4,000	59.82	98.00	63.83%	98.00	63.83%
5,000	64.81	105.97	63.50%	105.97	63.50%
6,000	69.81	113.94	63.22%	113.94	63.22%
7,000	74.80	121.91	62.98%	121.91	62.98%
8,000	74.80	121.91	62.98%	121.91	62.98%
9,000	74.80	121.91	62.98%	121.91	62.98%
10,000	74.80	121.91	62.98%	121.91	62.98%
11,000	74.80	121.91	62.98%	121.91	62.98%
12,000	74.80	121.91	62.98%	121.91	62.98%
13,000	74.80	121.91	62.98%	121.91	62.98%
14,000	74.80	121.91	62.98%	121.91	62.98%
15,000	74.80	121.91	62.98%	121.91	62.98%
16,000	74.80	121.91	62.98%	121.91	62.98%
17,000	74.80	121.91	62.98%	121.91	62.98%
18,000	74.80	121.91	62.98%	121.91	62.98%
19,000	74.80	121.91	62.98%	121.91	62.98%
20,000	74.80	121.91	62.98%	121.91	62.98%
25,000	74.80	121.91	62.98%	121.91	62.98%
30,000	74.80	121.91	62.98%	121.91	62.98%
35,000	74.80	121.91	62.98%	121.91	62.98%
40,000	74.80	121.91	62.98%	121.91	62.98%
45,000	74.80	121.91	62.98%	121.91	62.98%
50,000	74.80	121.91	62.98%	121.91	62.98%
75,000	74.80	121.91	62.98%	121.91	62.98%
100,000	74.80	121.91	62.98%	121.91	62.98%